



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

December 1, 2008

Donald Dame, Vice President Human Resources  
General Dynamics NASSCO  
2798 Harbor Drive  
San Diego, CA 92113

Dear Mr. Dame:

**RE: FINAL MONITORING VISIT REPORT for General Dynamics NASSCO – ET07-0208**

<b>Date of the Visit:</b>	10/28/08
<b>Beginning/Ending Time:</b>	2:15 p.m. – 3:30 p.m.
<b>Date of Last Visit:</b>	3/13/08
<b>Visit Location:</b>	San Diego ETP Regional Office
<b>Persons in attendance:</b>	Valerie Houlihan, Manager of Employee Development, NASSCO; Jessica Silva, Production Support Specialist, NASSCO; and Krista Campion, Contract Analyst, Employment Training Panel
<b>Action Required:</b>	No

## CONTRACT INFORMATION

<b>Term of Agreement:</b>	12/04/06 – 12/03/08	<b>Agreement Amount:</b>	\$1,193,184
<b>Training Start Date:</b>	2/12/07	<b>No. to Retain:</b>	2,762
<b>Date Training Completed:</b>	9/03/08	<b>Range of Hours:</b>	24 – 200
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	24

*ACTION ITEMS REMAINING  
FROM THE PRIOR VISIT:*

- **None**

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ETP (04/15/05)

## **FINAL REPORT SUMMARY**

- ***HISTORY OF AGREEMENT CHANGES***

The Agreement was executed on 1/03/07. Ms. Houlihan confirmed that training commenced on this project on 2/12/07 and the last day of ETP training was 9/03/08.

ETP processed two Agreement Modifications during the term of the Agreement. Modification No. 1 revised the range of training hours for Job 1 retrainees to a maximum of 200; and Amendment No. 2 revised the revised the range of training hours for Job 2 retrainees to a maximum of 200.

- ***INTERVIEW WITH VALERIE HOULIHAN, MANAGER OF EMPLOYEE DEVELOPMENT***

Located on San Diego Bay, NASSCO designs, builds and repairs ocean-going, auxiliary and support ships for the U.S. Navy, and oil tankers and dry cargo carriers for commercial markets. This project was designed to enhance the competencies of its frontline staff in high performance workplace skills that included training in Continuous Improvement and Manufacturing Skills. Ms. Houlihan reported that, although NASSCO will not earn reimbursement for the maximum ETP Agreement amount, the ETP training was very effective and beneficial to the company.

She stated that overall the ETP training project allowed the company to provide advanced levels of skills training for its frontline workers that it otherwise would not have been able to provide due to budget constraints. The most beneficial aspect of the training was the Advanced Fabrication training (Manufacturing skills) that allowed many workers the opportunity to upgrade their job skills, and which ultimately increased production and efficiencies at the company.

Ms. Houlihan also reported that the ETP project provided a discipline for training and allowed the company to consolidate and centralize its training efforts. She stated that the ETP on-line forms and class/lab tracking systems were user friendly.

According to Ms. Houlihan the most challenging aspect of this project was obtaining the second union support letter, which was finally submitted 4/30/08. As a result, Job 2 training was delayed and many trainees did not complete the minimum number of hours to qualify for reimbursement (see projected earnings below).

**PROJECT STATUS PROVIDED BY THE CONTRACTOR**

<b>Trainees Started Training:</b>	1,850	<b>Completed Retention:</b>	415
<b>Dropped Following Enrollment:</b>	*1,299	<b>In Retention Period:</b>	126
<b>Completed Minimum Hours for reimbursement:</b>	541		
<b>Completed Training:</b>	541		

\*There are a few more potential drops in this project, which will be reconciled prior to the submission of the closeout invoice.

**PROJECTED EARNINGS / NUMBER TO RETAIN**

Ms. Houlihan confirmed that 541 retrainees (20 percent of planned trainees) have completed the minimum number of hours to qualify for reimbursement, which is consistent with the information in the ETP class/lab tracking system. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (200) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The 541 retrainees referenced above have completed from 24 to 200 hours of class/lab training, for a grand total of 33,599 hours of training. This equates to a potential reimbursement of \$604,776, assuming that all Agreement performance requirements are met. This amount is approximately 51 percent of the Agreement amount.

**CLOSEOUT INVOICE**

To date, ETP has reimbursed NASSCO a total of \$394,848, of which \$235,513 is considered *earned or earned in process*. Ms. Campion advised your staff that the closeout invoice should be submitted to the ETP Fiscal Unit in Sacramento no later than 30 days after the end term date of the Agreement or 1/03/09. Ms. Houlihan reported that she plans to submit the closeout invoice on by the end of December 2008.

**ATTENDANCE ROSTERS**

The Analyst randomly chose five retrainees' attendance records to review who are enrolled in this project. The review sample consisted of class/lab attendance documents completed during the period 9/19/07 – 8/29/08 in Manufacturing Skills. According to the ETP class/lab tracking system, these retrainees have completed from 24 to 200 hours of class/lab training at the time of the Monitoring Visit.

The Analyst compared the information in the ETP class/lab tracking system with the class/lab attendance rosters to ensure that all ETP required information was present as specified in Title 22, California Code of Regulations (CCR), Section 4442. A review of the aforementioned selected sample revealed that the records reviewed were

completed in accordance with CCR 4442 and the hours tracked in the class/lab tracking system corresponded with the information on the training rosters.

*Note: some minor recordkeeping/documentation errors were discovered by the Analyst that were subsequently corrected by Ms. Silva during the visit or immediately thereafter.*

### **AUDIT**

General Dynamics will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

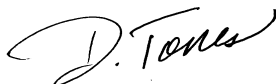
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

### **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at [kcampion@etp.ca.gov](mailto:kcampion@etp.ca.gov), within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager  
San Diego Regional Office



Krista Campion, Contract Analyst  
San Diego Regional Office

cc: Valerie Houlihan, Manager of Employee Development, NASSCO  
Brian McMahon, Executive Director  
David Guzman, Chief, Program Operations Division  
Kulbir Mayall, Manager, Fiscal and Certification  
Master File  
Project File